



GAIL FARBER, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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REFER TO FILE: PD-1

December 8, 2008

TO: Each Supervisor

FROM: Gail Farber *Gail Farber*
Director of Public Works

ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY BOARD MEETING-NOVEMBER 24, 2008

On November 24, 2008, my staff attended the regular Board meeting of the Alameda Corridor-East (ACE) Construction Authority. A copy of the November 24, 2008, agenda and adopted minutes of the October 27, 2008, regular Board meeting are attached. The following items were discussed at the meeting, which are of interest to the County.

Agenda Item VI – The Chief Executive Officer reported the following:

Construction of the Brea Canyon Road Grade Separation project is complete and the undercrossing was opened to traffic on October 30, 2008. A dedication ceremony will be scheduled after the holiday season.

A public scoping meeting was held on October 30, 2008, for the San Gabriel Trench project, and a public outreach meeting was held on November 13, 2008, for the Nogales Avenue (South) Grade Separation project.

Agenda Item VII – The Board approved staff's recommendation to authorize the Chief Executive Officer to amend the contract with HNTB Corporation to add \$312,000 for support services during construction of the Sunset Avenue Grade Separation project, for a new contract value of \$5,315,787.

Agenda Item IX – The Chief Executive Officer reported that Measure R was approved by Los Angeles County voters on November 4, 2008. The Measure includes approximately \$400 million in funding for Phase II of the ACE project.

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Agenda Item X – The Board approved staff's recommendation to authorize the Chief Executive Officer to solicit proposals for the preparation of an updated study for the Phase II ACE project to identify the location of the next grade separation projects and develop priorities beyond those already established. The study is estimated to cost approximately \$500,000.

The next Board meeting will be held on December 15, 2008, at 2 p.m., at the Irwindale City Hall Chambers.

HF:pr

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Attach.

cc: Chief Executive Office (Lari Sheehan)
Executive Office



Alameda Corridor-East Construction Authority

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ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY

BOARD OF DIRECTORS

REGULAR MEETING AGENDA

Monday, November 24, 2008 – 2:00 P.M.

Irwindale City Hall

5050 Irwindale Avenue

Irwindale, CA 91706

Members of the public may comment on any item on the agenda at the time it is taken up by the Board. We ask that members of the public come forward to be recognized by the Chair and keep their remarks brief. If several persons wish to address the Board on a single item, the Chair may impose a three-minute time limit on individual remarks at the beginning of the discussion.

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|-------|--|-------------|
| I. | Roll Call and Introductions | |
| II. | Pledge of Allegiance | |
| III. | Approval of Minutes of Meeting of October 27, 2008 (Pages 1-7) | Action |
| IV. | Public Comment | |
| V. | Chairman's Remarks | Information |
| VI. | Chief Executive Officer's Report (Pages 8-11) | Information |
| VII. | Approval of Design Amendment for HNTB for the Sunset Avenue Grade Separation Project (Pages 12-13) | Action |
| VIII. | Approval of Future Financial Oversight Process (Pages 14-16) | Action |
| IX. | Measure R Funding for the ACE Project (Pages 17-21) | Information |
| X. | Approval of Phase II Update Study (Pages 22-24) | Action |
| XI. | Fiscal Year 2008 Audited Financial Statement (material to be distributed at meeting) | Information |
| XII. | Adjournment | Action |

The ACE Construction Authority is constituted of seven (7) member jurisdiction; the Cities of El Monte, Industry, Montebello, San Gabriel and Pomona, the County of Los Angeles and the San Gabriel Valley Council of Governments. A San Bernardino County Council of Governments representative is an ex-officio Board member. Each member or alternate has one vote. A quorum of the ACE Construction Authority is no less than four (4) of its total voting membership. Actions taken by the ACE Construction Authority shall be by simple majority of the members present with a quorum in attendance except for personnel actions, the annual budget, matters dealing with the Administrative Code or matters requiring subsequent approval by the SGVCOG, all of which shall require five (5) votes. All disclosable public records related to this meeting are available for viewing at the ACE office above during normal working hours.



**ACE Construction Authority
Board Meeting
October 27, 2008**

Chairman Hunter called the meeting to order at 2:03PM in the Irwindale City Council Chambers.

1. In attendance were:

George Hunter, Chairman
Tim Spohn, Vice Chairman
Ernest Gutierrez, El Monte
Rosemarie Vasquez, Montebello
Michael Antonovich, Los Angeles County
Dave Spence, SGVCOG

Staff

Rick Richmond, Chief Executive Officer
Joe Silvey, Legal Counsel
Deanna Stanley
Cynthia Ambrose
Carlos Monroy
Paul Hubler

Guests

Karalee Etheridge, Congressman Gary Miller
Jed Springer, Demetriou, Del Guercio, Springer & Francis, LLP

2. Pledge of Allegiance

Vice Chairman Tim Spohn led the pledge of allegiance.

3. Approval of Minutes of September, 2008.

A motion was made to approve the meeting minutes of August 25, 2008.
M/S/C: Baldwin/Vasquez/Unanimous

4. Public Comment

Jed Springer of Demetriou, Del Guercio, Springer & Francis, LLP thanked the Board for consideration for future work.

5. Chairman's Remarks

Chairman Hunter thanked the staff for efforts for a successful dedication at the completed East End Avenue grade separation.

6. Chief Executive Officer Report

Mr. Richmond updated the Board on financing of commercial paper. He indicated the rate relationship between tax-exempt versus taxable investment has always provided a net cash flow thereby providing money to carry costs.

However with current financial global crisis it has now reversed. He indicated ACE retired \$47M in commercial paper in October and an additional \$52M will be due in December. He indicated he remained hopeful the economy would recover and staff would continue to closely monitor its financing.

Mr. Richmond reminded the Board that quarterly mitigation monitoring reports were in the agenda packet and included comments and responses on all active construction projects.

Mr. Richmond reviewed photos depicting El Monte Police Special Emergency Response Team (SERT) and LA County Sheriff Special Weapons and Tactics (SWAT) training exercises held at vacant structures at Baldwin Avenue.

7. Hearing on Resolution Necessity for the Baldwin Avenue Grade Separation No. 05-08 4144 Baldwin Avenue - El Monte, CA

Mr. Richmond advised the Board of one minor adjustment that staff wished to make to each of the three Resolutions of Necessity being presented for the Board's consideration. In Section 4 of each of the Resolutions, the words "the firm of Burke, Williams & Sorensen" was to be replaced with words "ACE counsel". Mr. Richmond explained that there were no other changes being made by staff to the three Resolutions.

Chairman Hunter opened the hearing for Resolution No.08-05. Joe Silvey, Burke, Williams & Sorensen LLP reviewed the eminent domain legal process and explained the matter being brought before the Board. He indicated the Board would be asked to consider three requirements: 1. Whether or not the public interest, convenience and necessity require construction of the Baldwin Avenue grade separation project. 2. Whether or not the project is planned and located in the manner that will be most compatible with the greatest public good and the least private injury; and 3. Whether or not the property sought to be acquired is necessary for the project. He also indicated negotiations would continue even if the Resolution of Necessary was adopted and five affirmative votes were required to pass the resolution.

Mark Mendoza, Paragon Partners reviewed the design options and evaluation criteria for selection of the project, property requirements and status of negotiations. He indicated the single family residence was owned by Maria Montes and Armando Lopez. The Resolution would allow the Authority to commence with acquisition should settlement not be achieved. Mark Mendoza explained that a tentative settlement had been reached with the property owners but not finalized. Mr. Richmond requested the Board consider adoption of the Resolution so the Authority could move forward should the negotiations be unsuccessful.

The public comment period was opened. Jed Springer, Demetriou, Del Guercio, Springer & Francis again thanked the Board for the past opportunity to provide eminent domain services for ACE and expressed an interest in providing such services for future matters. There were no other comments. The public comment period was closed.

Member Spence made a motion for the Board to approve the Resolution as amended by staff but with amended language that would specify that all legal work associated with the acquisition of property be undertaken by the firm Demetriou, Del Guercio, Springer & Francis. Member Vasquez asked for clarification of the motion and it was repeated by Member Spence. Member Gutierrez seconded the motion for discussion purposes only. A lengthy discussion followed.

At conclusion of the discussion Member Vasquez made a substitute motion to adopt the Resolution No. 08-05 as put forth by staff authorizing commencement of eminent domain proceedings so as to acquire fee simple interest in real property described therein. The motion was seconded by Member Antonovich.

Ayes: Gutierrez/Vasquez/Antonovich/Hunter/Spohn

Abstain: Spence

8. Hearing on Resolution of Necessity for the Baldwin Avenue Grade Separation

Chairman Hunter opened the hearing for Resolution No.08-06. Joe Silvey, Burke, Williams & Sorensen LLP reviewed the eminent domain legal process and explained the matter being brought before the Board. He indicated the Board would be asked to consider three requirements: 1. Whether or not the public interest, convenience and necessity require construction of the Baldwin Avenue grade separation project. 2. Whether or not the project is planned and located in the manner that will be most compatible with the greatest public good and the least private injury; and 3. Whether or not the property sought to be acquired is necessary for the project. He also indicated negotiations would continue even if the Resolution of Necessary was adopted and five affirmative votes were required to pass the resolution.

Mark Mendoza, Paragon Partners reviewed the design options and evaluation criteria for selection of the project, property requirements and status of negotiations. He indicated the property was owned by Arlene Valdez and currently used as a pest control business and staff would continue negotiations with the property owner. The Resolution would allow the Authority to commence with acquisition should settlement not be achieved.

The public comment period was opened. There were no public comments. The public comment period was closed.

Member Spence made a motion for the Board to approve the Resolution as amended by staff but with amended language that would specify that all legal work associated with the acquisition of property be undertaken by the firm Demetriou, Del Guercio, Springer & Francis. There was no second to the motion.

A motion was made by Chairman Hunter to adopt the Resolution No. 08-06 as put forth by staff authorizing commencement of eminent domain proceedings so as to acquire fee simple interest in real property described therein. The motion was seconded by Member Vasquez.

Ayes: Gutierrez/Vasquez/Antonovich/Hunter/Spohn

Nayes: Spence

9. Hearing on Resolution of Necessity for the Baldwin Avenue Grade Separation.

Chairman Hunter opened the hearing for Resolution No.08-07. Joe Silvey, Burke, Williams & Sorensen LLP reviewed the eminent domain legal process and explained the matter being brought before the Board. He indicated the Board would be asked to consider three requirements: 1. Whether or not the public interest, convenience and necessity require construction of the Baldwin Avenue grade separation project. 2. Whether or not the project is planned and located in the manner that will be most compatible with the greatest public good and the least private injury; and 3. Whether or not the property sought to be acquired is necessary for the project. He also indicated negotiations would continue even if the Resolution of Necessary was adopted and five affirmative votes were required to pass the resolution.

Mark Mendoza, Paragon Partners reviewed the design options and evaluation criteria for selection of the project, property requirements and status of negotiations. He indicated the property was owned by Antonia & Natercia Amorim and used as a chiropractic office. He indicated negotiations would continue but adoption of the Resolution would allow the Authority to commence with acquisition should settlement not be attained.

The public comment period was opened. There were no public comments. The public comment period was closed.

Member Spence asked who would be legal counsel on this matter and Mr. Richmond reminded Mr. Spence that legal representation might not be necessary as staff would continue negotiations. However, in the event it was,

procurement for such services was for the Board's discussion later on the agenda.

Member Spence made a motion for the Board to approve the Resolution as amended by staff but with amended language that would specify that all legal work associated with the acquisition of property be undertaken by the firm Demetriou, Del Guercio, Springer & Francis. There was no second to the motion.

A motion was made by Member Gutierrez to adopt the Resolution No. 08-07 as put forth by staff authorizing commencement of eminent domain proceedings so as to acquire fee simple interest in real property described therein. The motion was seconded by Member Vasquez.

Ayes: Gutierrez/Vasquez/Antonovich/Hunter/Spohn

Nayes: Spence

10. Approval of Acceptance of Ramona Blvd. Grade Separation Project and Close out of Contract No. 04-01

Mr. Richmond indicated the Ramona Blvd grade separation is complete and reviewed the recommendation for an increase in authorization. It resulted from costs associated with restoration of the Ramona/Valley shopping center and adjacent areas not addressed in the plans, greater quantity closeouts in excavation and compacted soil and repair of roadway surfaces, and extra metalwork on and around the railroad bridges.

Member Spence voiced concerns over cost increases and affects on this and other projects. Mr. Richmond explained delays by third parties were primary contributors to cost increase on this and most other ACE projects. He indicated staff has no leverage over third parties to force adherence to project schedules. He acknowledged frustration with increases but assured the Board that staff will continue to focus on project costs, budget and pursue other funding opportunities as they arise to backfill the funding on future projects.

A motion was made to 1. Accept the Ramona Blvd. grade separation project as being satisfactorily completed in conformance with the project specifications; 2. Approve an increase in authorization of \$507,059 for final authorization value of \$22,567,079 for Contract No. 04-01 with Brutoco Engineering; 3. Approve the final retention payment of \$100,570 to Brutoco, upon completion of the statutory period identified in California Civil Code, if no claims or objects have been filed, and upon concurrence of the CEO; and 4. Authorize the Contracts Manager to release the labor and materials bond and the Faithful Performance Bond upon expiration of the required lien period if no claims or objections have

been filed, upon concurrence of the CEO.
M/S/C: Gutierrez/Vasquez/Unanimous

11. Approval of Surplus Property at 11240 Ramona Blvd. and 11254 Ramona Blvd in the City of El Monte

Mr. Richmond reviewed the parcels at 11240 and 11254 Ramona Blvd. acquired and now vacant as a result of the completion of the Ramona Blvd. grade separation project. He indicated the combined property appraised at \$1,180,000 and in accordance with Caltrans guidelines would be made available to governmental agencies first then offered to the general public.

A motion was made to declare properties located at 11240 and 11254 Ramona Blvd. in the City of El Monte as surplus property.

M/C/S: Spohn/Vasquez/Unanimous

12. Approval of Contract Amendment with Demetriou, Del Guercio, Springer & Francis, LLP for Eminent Domain Services and Authorization to Solicit Proposals for Future Legal Services

Joe Silvey recused himself from discussions and left the meeting. Mr. Richmond reviewed the staff recommendation to amend the Demetriou contract to add an additional eminent domain assignment and solicit proposals for future legal services. Mr. Spence notified the Board that the COG was in the process of procuring new legal counsel and ACE counsel did not have to be of the same firm. Further, he was advised the current legal services contract with ACE had not been competitively procured. Mr. Spence indicated his concerns were a result of previous compliance problems with state and federal guidelines. Chairman Hunter asked Mr. Richmond to respond. Mr. Richmond indicated legal counsel was on-board prior to Mr. Richmond's employment with ACE and approval of the staff recommendation would ensure procurement for legal services. He also responded that the reference to compliance issues pertained to the COG not ACE.

Member Spence made a motion for the Board to approve Demetriou, Del Guercio handle all eminent domain services for ACE. Discussion ensued and the motion was not seconded.

A motion was made to 1. Direct Burke, Williams & Sorensen to amend its contract with Demetriou, Del Guercio, Springer & Francis to extend the contract's duration and increase its cope to encompass an additional eminent domain matter with an estimated cost of \$85,000 for a total not to exceed authorization of \$802,933; and 2. Authorize staff to solicit proposals for future legal services.

M/S/C: Spohn/Vasquez/Passed. Antonovich abstained.

13. Quarterly Financial Report

Mr. Richmond reviewed the quarterly direct and indirect budgets, cash expenditures, billings and investments. There were no questions.

14. Approval of Future Financial Oversight Process

Mr. Richmond reminded the Board that the COG was in the process of restructuring its bylaws affecting the responsibility of the Treasurer. Mr. Richmond reviewed the current methods of financial reporting which included monthly project progress reports, quarterly financial reports, annual financial audits and on-going internal contract and compliance audits. Mr. Richmond reviewed options of future reporting which included: continue reporting to full board, establishment of a finance board committee or delegating oversight to city staff.

A motion was made by member Vasquez and seconded by member Gutierrez to table this item. M/S/C:Vasquez/Gutierrez/Unanimous

15. Quarterly Project Status Report

Mr. Richmond indicated the project status reports were included in the agenda for informational purpose.

16. Update on Legislation

Paul Hubler reviewed the State legislation summary matrix as outlined in the agenda.

17. Adjournment. The Board adjourned at 4PM.